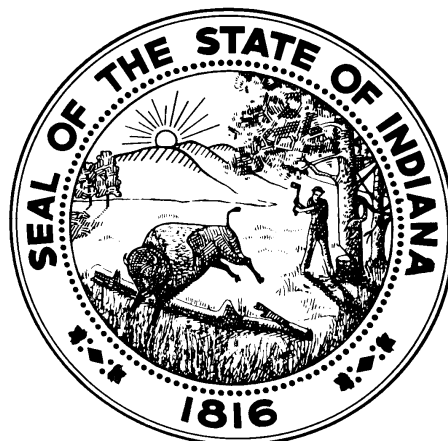


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
BLUE RIVER VALLEY SCHOOL CORPORATION
HENRY COUNTY, INDIANA
July 1, 2006 to June 30, 2008



FILED
03/09/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kimberly S. Riley	07-01-06 to 06-30-09
Superintendent of Schools	Stephen K. Welsh	07-01-06 to 06-30-09
President of the School Board	Shari Ray James Griffith Kent Grim	07-01-06 to 06-30-07 07-01-07 to 06-30-08 07-01-08 to 06-30-09



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INDEPENDENT ACCOUNTANT'S REPORT

**TO: THE OFFICIALS OF THE BLUE RIVER VALLEY SCHOOL
CORPORATION, HENRY COUNTY, INDIANA**

We have examined the financial information presented herein of the Blue River Valley School Corporation (School Corporation), for the period of July 1, 2006 to June 30, 2008. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Combining Schedules, Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. The Combining Schedules have been subjected to the examination procedures applied to the basic financial information and, in our opinion, are fairly stated in all material respects in relation to the basic financial information taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 26, 2009

BLUE RIVER VALLEY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 3,702,968	\$ -	\$ 32,923	\$ (3,670,045)
Support services	2,286,162	201,824	85,202	(1,999,136)
Community services	64,020	-	-	(64,020)
Nonprogrammed charges	18,245	-	-	(18,245)
Debt service	780,307	-	-	(780,307)
Total governmental activities	<u>\$ 6,851,702</u>	<u>\$ 201,824</u>	<u>\$ 118,125</u>	<u>(6,531,753)</u>
General receipts:				
Property taxes				2,441,154
Other local sources				645,249
State aid				3,233,134
Grants and contributions not restricted to specific programs				268,224
Sale of property, adjustments, and refunds				8,176
Investment earnings				<u>105,551</u>
Total general receipts				<u>6,701,488</u>
Change in net assets				169,735
Net assets - beginning				<u>1,930,090</u>
Net assets - ending				<u>\$ 2,099,825</u>
<u>Assets</u>				
Cash and investments				\$ 1,960,646
Restricted assets:				
Cash and investments				<u>139,179</u>
Total assets				<u>\$ 2,099,825</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 139,179
Unrestricted				<u>1,960,646</u>
Total net assets				<u>\$ 2,099,825</u>

The notes to the financial statements are an integral part of the financial statements.

BLUE RIVER VALLEY SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 3,654,698	\$ -	\$ 56,621	\$ (3,598,077)
Support services	2,461,406	194,131	117,899	(2,149,376)
Community services	67,717	-	-	(67,717)
Nonprogrammed charges	6,500	-	-	(6,500)
Debt service	800,898	-	-	(800,898)
Total governmental activities	<u>\$ 6,991,219</u>	<u>\$ 194,131</u>	<u>\$ 174,520</u>	<u>(6,622,568)</u>
General receipts:				
Property taxes				3,060,626
Other local sources				476,035
State aid				3,143,141
Grants and contributions not restricted to specific programs				304,186
Sale of property, adjustments, and refunds				1,681
Investment earnings				<u>97,174</u>
Total general receipts				<u>7,082,843</u>
Change in net assets				460,275
Net assets - beginning				<u>2,099,825</u>
Net assets - ending				<u>\$ 2,560,100</u>
<u>Assets</u>				
Cash and investments				\$ 2,390,168
Restricted assets:				
Cash and investments				<u>169,932</u>
Total assets				<u>\$ 2,560,100</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 169,932
Unrestricted				<u>2,390,168</u>
Total net assets				<u>\$ 2,560,100</u>

The notes to the financial statements are an integral part of the financial statements.

BLUE RIVER VALLEY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 1,413,588	\$ 416,569	\$ 730,052	\$ 516,754	\$ 40,513	\$ 275,774	\$ 3,393,250
Intermediate sources	61	-	-	-	-	469	530
State sources	3,254,522	-	-	-	-	43,493	3,298,015
Federal sources	130	-	-	-	-	321,336	321,466
Sale of property, adjustments and refunds	1,945	-	-	-	6,000	231	8,176
Total receipts	<u>4,670,246</u>	<u>416,569</u>	<u>730,052</u>	<u>516,754</u>	<u>46,513</u>	<u>641,303</u>	<u>7,021,437</u>
Disbursements:							
Current:							
Instruction	3,400,955	-	-	-	-	302,013	3,702,968
Support services	1,094,525	349,743	-	357,050	121,599	363,245	2,286,162
Community services	63,452	-	-	-	-	568	64,020
Nonprogrammed charges	16,907	-	-	-	-	1,338	18,245
Debt services	-	-	780,307	-	-	-	780,307
Total disbursements	<u>4,575,839</u>	<u>349,743</u>	<u>780,307</u>	<u>357,050</u>	<u>121,599</u>	<u>667,164</u>	<u>6,851,702</u>
Excess (deficiency) of receipts over disbursements	<u>94,407</u>	<u>66,826</u>	<u>(50,255)</u>	<u>159,704</u>	<u>(75,086)</u>	<u>(25,861)</u>	<u>169,735</u>
Other financing sources (uses):							
Transfers in	2,279	-	-	-	-	44,933	47,212
Transfers out	-	-	-	-	-	(47,212)	(47,212)
Total other financing sources (uses)	<u>2,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,279)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>96,686</u>	<u>66,826</u>	<u>(50,255)</u>	<u>159,704</u>	<u>(75,086)</u>	<u>(28,140)</u>	<u>169,735</u>
Cash and investments - beginning	<u>445,936</u>	<u>420,273</u>	<u>189,434</u>	<u>514,250</u>	<u>23,941</u>	<u>336,256</u>	<u>1,930,090</u>
Cash and investments - ending	<u>\$ 542,622</u>	<u>\$ 487,099</u>	<u>\$ 139,179</u>	<u>\$ 673,954</u>	<u>\$ (51,145)</u>	<u>\$ 308,116</u>	<u>\$ 2,099,825</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 542,622	\$ 487,099	\$ -	\$ 673,954	\$ (51,145)	\$ 308,116	\$ 1,960,646
Restricted assets:							
Cash and investments	-	-	139,179	-	-	-	139,179
Total cash and investment assets - ending	<u>\$ 542,622</u>	<u>\$ 487,099</u>	<u>\$ 139,179</u>	<u>\$ 673,954</u>	<u>\$ (51,145)</u>	<u>\$ 308,116</u>	<u>\$ 2,099,825</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 139,179	\$ -	\$ -	\$ -	\$ 139,179
Unrestricted	542,622	487,099	-	673,954	(51,145)	308,116	1,960,646
Total cash and investment fund balance - ending	<u>\$ 542,622</u>	<u>\$ 487,099</u>	<u>\$ 139,179</u>	<u>\$ 673,954</u>	<u>\$ (51,145)</u>	<u>\$ 308,116</u>	<u>\$ 2,099,825</u>

The notes to the financial statements are an integral part of the financial statements.

BLUE RIVER VALLEY SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 1,473,848	\$ 542,087	\$ 831,651	\$ 641,557	\$ 65,520	\$ 269,641	\$ 3,824,304
Intermediate sources	124	-	-	-	-	3,538	3,662
State sources	3,171,120	-	-	-	-	66,830	3,237,950
Federal sources	-	-	-	-	-	383,897	383,897
Sale of property, adjustments and refunds	130	-	-	-	-	1,551	1,681
Total receipts	<u>4,645,222</u>	<u>542,087</u>	<u>831,651</u>	<u>641,557</u>	<u>65,520</u>	<u>725,457</u>	<u>7,451,494</u>
Disbursements:							
Current:							
Instruction	3,331,666	-	-	-	-	323,032	3,654,698
Support services	1,332,440	379,657	-	281,474	70,663	397,172	2,461,406
Community services	67,374	-	-	-	-	343	67,717
Nonprogrammed charges	6,500	-	-	-	-	-	6,500
Debt services	-	-	800,898	-	-	-	800,898
Total disbursements	<u>4,737,980</u>	<u>379,657</u>	<u>800,898</u>	<u>281,474</u>	<u>70,663</u>	<u>720,547</u>	<u>6,991,219</u>
Excess (deficiency) of receipts over disbursements	<u>(92,758)</u>	<u>162,430</u>	<u>30,753</u>	<u>360,083</u>	<u>(5,143)</u>	<u>4,910</u>	<u>460,275</u>
Other financing sources (uses):							
Transfers in	275	-	-	1,908	-	4,617	6,800
Transfers out	-	-	-	-	-	(6,800)	(6,800)
Total other financing sources (uses)	<u>275</u>	<u>-</u>	<u>-</u>	<u>1,908</u>	<u>-</u>	<u>(2,183)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(92,483)</u>	<u>162,430</u>	<u>30,753</u>	<u>361,991</u>	<u>(5,143)</u>	<u>2,727</u>	<u>460,275</u>
Cash and investments - beginning	<u>542,622</u>	<u>487,099</u>	<u>139,179</u>	<u>673,954</u>	<u>(51,145)</u>	<u>308,116</u>	<u>2,099,825</u>
Cash and investments - ending	<u>\$ 450,139</u>	<u>\$ 649,529</u>	<u>\$ 169,932</u>	<u>\$ 1,035,945</u>	<u>\$ (56,288)</u>	<u>\$ 310,843</u>	<u>\$ 2,560,100</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 450,139	\$ 649,529	\$ -	\$ 1,035,945	\$ (56,288)	\$ 310,843	\$ 2,390,168
Restricted assets:							
Cash and investments	-	-	169,932	-	-	-	169,932
Total cash and investment assets - ending	<u>\$ 450,139</u>	<u>\$ 649,529</u>	<u>\$ 169,932</u>	<u>\$ 1,035,945</u>	<u>\$ (56,288)</u>	<u>\$ 310,843</u>	<u>\$ 2,560,100</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 169,932	\$ -	\$ -	\$ -	\$ 169,932
Unrestricted	450,139	649,529	-	1,035,945	(56,288)	310,843	2,390,168
Total cash and investment fund balance - ending	<u>\$ 450,139</u>	<u>\$ 649,529</u>	<u>\$ 169,932</u>	<u>\$ 1,035,945</u>	<u>\$ (56,288)</u>	<u>\$ 310,843</u>	<u>\$ 2,560,100</u>

The notes to the financial statements are an integral part of the financial statements.

BLUE RIVER VALLEY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	Private-Purpose Trust Funds
Additions:	
Total additions	<u>\$ -</u>
Deductions:	
Administrative and general	<u>381</u>
Deficiency of total additions over total deductions	(381)
Cash and investment fund balance - beginning	<u>2,476</u>
Cash and investment fund balance - ending	<u><u>\$ 2,095</u></u>
Net assets:	
Cash and investments	<u><u>\$ 2,095</u></u>

The notes to the financial statements are an integral part of the financial statements.

BLUE RIVER VALLEY SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	Private-Purpose Trust Funds
Additions:	
Total additions	<u>\$ -</u>
Deductions:	
Administrative and general	<u>330</u>
Deficiency of total additions over total deductions	(330)
Cash and investment fund balance - beginning	<u>2,095</u>
Cash and investment fund balance - ending	<u><u>\$ 1,765</u></u>
Net assets:	
Cash and investments	<u><u>\$ 1,765</u></u>

The notes to the financial statements are an integral part of the financial statements.

BLUE RIVER VALLEY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The School Corporation's financial reporting entity is composed of the following:

Primary Government: Blue River Valley School Corporation

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Ventures

The School Corporation is a participant with seven other school corporations in a joint venture to operate the New Castle Area Vocational School, which was created to provide vocational education instruction. The School Corporation is obligated by contract to remit annually an amount based on the level of participation to pay the New Castle Area Vocational School's expenses. For the school years ended June 30, 2007 and 2008, payments were \$39,848 and \$41,822, respectively. Complete financial statements for the New Castle Area Vocational School can be obtained from the New Castle Community School Corporation, 322 Elliot Avenue, New Castle, Indiana, 47362.

The School Corporation is a participant with three other school corporations in a joint venture to operate the Anderson-Alexandria-Elwood Special Education Cooperative (Co-op) which was created to obtain grants and to provide special education instruction. The School Corporation is obligated by contract to remit \$1,000 annually to pay part of the administrative costs of the Co-op. The Co-op in return distributes a share of grant proceeds to each of its members to supplement the cost of each member's own special education program. Complete financial statements for the Anderson-Alexandria-Elwood Special Education Cooperative can be obtained from the Anderson Community School Corporation, 1229 Lincoln Avenue, Anderson, Indiana, 46016.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, the School Corporation has not established any business-type funds.

BLUE RIVER VALLEY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

Additionally, the School Corporation reports the following fund type:

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the vocational education and special education students.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

BLUE RIVER VALLEY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

BLUE RIVER VALLEY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

1. Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Disbursements

Operating disbursements include all disbursements not related to capital and related financing, noncapital financing, or investing activities.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At June 30, 2007 and 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

BLUE RIVER VALLEY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	FY 2007	FY 2008
School Bus Replacement	\$ 51,145	\$ 56,288

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the late remittance of property tax proceeds from the county; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation's deposit policy for custodial credit risk is to only deposit in an approved depository. At June 30, 2008, the School Corporation had deposit balances in the amount of \$2,609,723. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2007 and 2008, were as follows:

Transfer From	Transfer To	2007	2008
Other Governmental Funds	General Fund	\$ 2,279	\$ 275
Other Governmental Funds	Capital Projects Fund	-	1,908
Other Governmental Funds	Other Governmental Funds	44,933	4,617
Totals		\$ 47,212	\$ 6,800

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

BLUE RIVER VALLEY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits

During 1996, the School Corporation joined together with other governmental entities to form the Greater Randolph County Insurance Consortium, a public entity risk pool currently operating as a common risk management and insurance program for seven member governmental entities. This risk pool was formed in 1996. The purpose of the risk pool is to provide a medium for the funding and administration of health insurance. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$5,000,000 per insured event.

B. Holding Corporation

The School Corporation has entered into a capital lease with the Blue River Valley School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the fiscal years 2006-2007 and 2007-2008 totaled \$764,000 and \$786,000, respectively.

C. Termination Benefits

During the fiscal year 2007-2008, the School Corporation paid \$5,918.29 to two employees, who retired.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

BLUE RIVER VALLEY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	<u>PERF</u>
Annual required contribution	\$ 60,160
Interest on net pension obligation	(5,078)
Adjustment to annual required contribution	<u>5,787</u>
Annual pension cost	60,869
Contributions made	<u>45,773</u>
Increase in net pension obligation	15,096
Net pension obligation, beginning of year	<u>(70,043)</u>
Net pension obligation, end of year	<u><u>\$ (54,947)</u></u>
Contribution rates:	
School Corporation	6.75%
Plan members	3%
Actuarial valuation date	07-01-07
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
	30 years
Amortization period	07-01-97
Amortization period (from date)	75% of expected actuarial value plus 25% of market value
Asset valuation method	

BLUE RIVER VALLEY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-05	\$ 40,406	117%	\$ (63,341)
	06-30-06	38,395	117%	(70,043)
	06-30-07	60,869	75%	(54,947)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

TRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Teachers' Retirement Fund
150 West Market Street
Indianapolis, IN 46204
Ph. (317) 232-3860

BLUE RIVER VALLEY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Costs

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

Plan members are required to contribute 3% of their salary; however, the School Corporation pays this contribution on behalf of the teachers. The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$99,384, \$98,842, and \$92,482, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

BLUE RIVER VALLEY SCHOOL CORPORATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 667,560	\$ 722,210	\$ (54,650)	92%	\$ 632,355	9%
07-01-06	546,297	739,077	(192,780)	74%	703,525	27%
07-01-07	631,945	804,912	(172,967)	79%	643,495	27%

BLUE RIVER VALLEY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	State Preschool Special Education	School Lunch	Textbook Rental	Levy Excess	Educational License Fees	Save Haven Grant
Receipts:						
Local sources	\$ 3,102	\$ 174,962	\$ 77,335	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	469	-
State sources	18,789	5,603	7,066	-	-	-
Federal sources	-	72,532	-	-	-	-
Sale of property, adjustments and refunds	-	231	-	-	-	-
Total receipts	<u>21,891</u>	<u>253,328</u>	<u>84,401</u>	<u>-</u>	<u>469</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	11,916	-	-	-	-	-
Support services	-	260,285	70,975	-	-	1,285
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>11,916</u>	<u>260,285</u>	<u>70,975</u>	<u>-</u>	<u>-</u>	<u>1,285</u>
Excess (deficiency) of receipts over disbursements	<u>9,975</u>	<u>(6,957)</u>	<u>13,426</u>	<u>-</u>	<u>469</u>	<u>(1,285)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(2,279)	-	-	-	-	-
Total other financing sources (uses)	<u>(2,279)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>7,696</u>	<u>(6,957)</u>	<u>13,426</u>	<u>-</u>	<u>469</u>	<u>(1,285)</u>
Cash and investments - beginning	<u>28,465</u>	<u>44,668</u>	<u>69,170</u>	<u>12,575</u>	<u>832</u>	<u>1,285</u>
Cash and investments - ending	<u>\$ 36,161</u>	<u>\$ 37,711</u>	<u>\$ 82,596</u>	<u>\$ 12,575</u>	<u>\$ 1,301</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 36,161</u>	<u>\$ 37,711</u>	<u>\$ 82,596</u>	<u>\$ 12,575</u>	<u>\$ 1,301</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 36,161</u>	<u>\$ 37,711</u>	<u>\$ 82,596</u>	<u>\$ 12,575</u>	<u>\$ 1,301</u>	<u>\$ -</u>

BLUE RIVER VALLEY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Early Intervention Grant	Gifted and Talented F Y 2005-06	Gifted and Talented F Y 2006-07	Intelenet Connect 2001	Preschool Tuition Fees	Title I FY 2005-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 2,529	\$ 17,846	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	500	-	11,535	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	500	-	11,535	2,529	17,846	-
Disbursements:						
Current:						
Instruction	-	5,364	6,247	-	27,537	3,741
Support services	-	-	-	1,469	-	526
Community services	-	-	-	-	-	110
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	5,364	6,247	1,469	27,537	4,377
Excess (deficiency) of receipts over disbursements	500	(5,364)	5,288	1,060	(9,691)	(4,377)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(1,431)
Total other financing sources (uses)	-	-	-	-	-	(1,431)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	500	(5,364)	5,288	1,060	(9,691)	(5,808)
Cash and investments - beginning	-	5,364	-	23,240	26,077	5,808
Cash and investments - ending	\$ 500	\$ -	\$ 5,288	\$ 24,300	\$ 16,386	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 500	\$ -	\$ 5,288	\$ 24,300	\$ 16,386	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ 500	\$ -	\$ 5,288	\$ 24,300	\$ 16,386	\$ -

BLUE RIVER VALLEY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title I FY 2006-07	Title V Part A FY 2004-05	Title V Part A FY 2005-06	Title V Part A FY 2006-07	Co Op Special Education Carryover 05-06	Co Op Special Education Carryover 06-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	55,422	-	-	1,227	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	55,422	-	-	1,227	-	-
Disbursements:						
Current:						
Instruction	49,572	118	-	1,360	113	11,622
Support services	683	80	1,000	-	-	1,631
Community services	458	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	50,713	198	1,000	1,360	113	13,253
Excess (deficiency) of receipts over disbursements	4,709	(198)	(1,000)	(133)	(113)	(13,253)
Other financing sources (uses):						
Transfers in	1,431	-	-	1,200	-	16,567
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	1,431	-	-	1,200	-	16,567
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,140	(198)	(1,000)	1,067	(113)	3,314
Cash and investments - beginning	-	198	1,100	-	113	-
Cash and investments - ending	\$ 6,140	\$ -	\$ 100	\$ 1,067	\$ -	\$ 3,314
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 6,140	\$ -	\$ 100	\$ 1,067	\$ -	\$ 3,314
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ 6,140	\$ -	\$ 100	\$ 1,067	\$ -	\$ 3,314

BLUE RIVER VALLEY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Co Op Special Education Sliver 2005-06	Co Op Special Education Part B 06-07	Co Op Special Education Part B 05-06	Co Op Special Education Preschool 05-06	Co Op Special Education Preschool 06-07	Title IV Part A FY 2005-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	156,335	-	-	4,769	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	156,335	-	-	4,769	-
Disbursements:						
Current:						
Instruction	169	133,705	8,342	199	4,736	-
Support services	-	637	1,446	-	-	1,460
Community services	-	-	-	-	-	-
Nonprogrammed charges	1,338	-	-	-	-	-
Total disbursements	1,507	134,342	9,788	199	4,736	1,460
Excess (deficiency) of receipts over disbursements	(1,507)	21,993	(9,788)	(199)	33	(1,460)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(16,567)	-	-	-
Total other financing sources (uses)	-	-	(16,567)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,507)	21,993	(26,355)	(199)	33	(1,460)
Cash and investments - beginning	1,507	-	26,355	199	-	1,460
Cash and investments - ending	\$ -	\$ 21,993	\$ -	\$ -	\$ 33	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 21,993	\$ -	\$ -	\$ 33	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ -	\$ 21,993	\$ -	\$ -	\$ 33	\$ -

BLUE RIVER VALLEY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title IV Part A Drug Free	Title IV Part A 2005-06 Drug Free	FEMA Emergency Funds	Title II Part A 05-06 Improvement	Title II Part A 06-07 Improvement	Title II Part D 04-05
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	2,400	-	2,182	17,042	9,427	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	2,400	-	2,182	17,042	9,427	-
Disbursements:						
Current:						
Instruction	-	-	-	27,464	9,475	333
Support services	-	500	-	373	1,377	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	500	-	27,837	10,852	333
Excess (deficiency) of receipts over disbursements	2,400	(500)	2,182	(10,795)	(1,425)	(333)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(1,200)	-	-	-	-	-
Total other financing sources (uses)	(1,200)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,200	(500)	2,182	(10,795)	(1,425)	(333)
Cash and investments - beginning	-	1,000	-	12,166	10,853	333
Cash and investments - ending	\$ 1,200	\$ 500	\$ 2,182	\$ 1,371	\$ 9,428	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,200	\$ 500	\$ 2,182	\$ 1,371	\$ 9,428	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ 1,200	\$ 500	\$ 2,182	\$ 1,371	\$ 9,428	\$ -

BLUE RIVER VALLEY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title II Part D 05-06 Technical	Construction	Barn Fire Replacement	Fire Repair and Replace	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 275,774
Intermediate sources	-	-	-	-	469
State sources	-	-	-	-	43,493
Federal sources	-	-	-	-	321,336
Sale of property, adjustments and refunds	-	-	-	-	231
Total receipts	-	-	-	-	641,303
Disbursements:					
Current:					
Instruction	-	-	-	-	302,013
Support services	-	-	-	19,518	363,245
Community services	-	-	-	-	568
Nonprogrammed charges	-	-	-	-	1,338
Total disbursements	-	-	-	19,518	667,164
Excess (deficiency) of receipts over disbursements	-	-	-	(19,518)	(25,861)
Other financing sources (uses):					
Transfers in	-	-	-	25,735	44,933
Transfers out	-	-	(25,735)	-	(47,212)
Total other financing sources (uses)	-	-	(25,735)	25,735	(2,279)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(25,735)	6,217	(28,140)
Cash and investments - beginning	668	32,375	30,444	1	336,256
Cash and investments - ending	<u>\$ 668</u>	<u>\$ 32,375</u>	<u>\$ 4,709</u>	<u>\$ 6,218</u>	<u>\$ 308,116</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 668</u>	<u>\$ 32,375</u>	<u>\$ 4,709</u>	<u>\$ 6,218</u>	<u>\$ 308,116</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ 668</u>	<u>\$ 32,375</u>	<u>\$ 4,709</u>	<u>\$ 6,218</u>	<u>\$ 308,116</u>

BLUE RIVER VALLEY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	State Preschool Special Education	School Lunch	Textbook Rental	Levy Excess	Educational License Fees	Early Intervention Grant
Receipts:						
Local sources	\$ 3,051	\$ 171,481	\$ 67,133	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	263	-
State sources	17,919	5,423	14,846	-	-	-
Federal sources	-	97,630	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	20,970	274,534	81,979	-	263	-
Disbursements:						
Current:						
Instruction	16,368	-	-	-	-	-
Support services	-	257,085	115,884	-	-	-
Community services	-	-	-	-	-	-
Total disbursements	16,368	257,085	115,884	-	-	-
Excess (deficiency) of receipts over disbursements	4,602	17,449	(33,905)	-	263	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,602	17,449	(33,905)	-	263	-
Cash and investments - beginning	36,161	37,711	82,596	12,575	1,301	500
Cash and investments - ending	\$ 40,763	\$ 55,160	\$ 48,691	\$ 12,575	\$ 1,564	\$ 500
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 40,763	\$ 55,160	\$ 48,691	\$ 12,575	\$ 1,564	\$ 500
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ 40,763	\$ 55,160	\$ 48,691	\$ 12,575	\$ 1,564	\$ 500

BLUE RIVER VALLEY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	High Ability FY 2007-08	Gifted and Talented F Y 2006-07	Intelenet Connect 2001	Preschool Tuition Fees	H. C. Community Grant	Title I School Improvement FY 2007-08
Receipts:						
Local sources	\$ -	\$ -	\$ 1,688	\$ 26,288	\$ -	\$ -
Intermediate sources	-	-	-	97	3,178	-
State sources	28,642	-	-	-	-	-
Federal sources	-	-	-	-	-	28,478
Sale of property, adjustments and refunds	-	-	1,551	-	-	-
Total receipts	<u>28,642</u>	<u>-</u>	<u>3,239</u>	<u>26,385</u>	<u>3,178</u>	<u>28,478</u>
Disbursements:						
Current:						
Instruction	16,054	5,288	-	27,754	3,178	10,067
Support services	-	-	1,514	119	-	12,700
Community services	-	-	-	-	-	-
Total disbursements	<u>16,054</u>	<u>5,288</u>	<u>1,514</u>	<u>27,873</u>	<u>3,178</u>	<u>22,767</u>
Excess (deficiency) of receipts over disbursements	<u>12,588</u>	<u>(5,288)</u>	<u>1,725</u>	<u>(1,488)</u>	<u>-</u>	<u>5,711</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>12,588</u>	<u>(5,288)</u>	<u>1,725</u>	<u>(1,488)</u>	<u>-</u>	<u>5,711</u>
Cash and investments - beginning	<u>-</u>	<u>5,288</u>	<u>24,300</u>	<u>16,386</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 12,588</u>	<u>\$ -</u>	<u>\$ 26,025</u>	<u>\$ 14,898</u>	<u>\$ -</u>	<u>\$ 5,711</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 12,588</u>	<u>\$ -</u>	<u>\$ 26,025</u>	<u>\$ 14,898</u>	<u>\$ -</u>	<u>\$ 5,711</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 12,588</u>	<u>\$ -</u>	<u>\$ 26,025</u>	<u>\$ 14,898</u>	<u>\$ -</u>	<u>\$ 5,711</u>

BLUE RIVER VALLEY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title I FY 2006-07	Title I FY 2007-08	Title V Part A FY 2005-06	Title V Part A FY 2006-07	Title V Part A FY 2007-08	Co Op Special Education Carryover
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	67,267	-	-	1,172	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	67,267	-	-	1,172	-
Disbursements:						
Current:						
Instruction	5,812	56,619	-	-	1,099	3,195
Support services	80	3,209	100	1,067	-	119
Community services	248	95	-	-	-	-
Total disbursements	6,140	59,923	100	1,067	1,099	3,314
Excess (deficiency) of receipts over disbursements	(6,140)	7,344	(100)	(1,067)	73	(3,314)
Other financing sources (uses):						
Transfers in	-	-	-	-	1,171	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	1,171	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,140)	7,344	(100)	(1,067)	1,244	(3,314)
Cash and investments - beginning	6,140	-	100	1,067	-	3,314
Cash and investments - ending	\$ -	\$ 7,344	\$ -	\$ -	\$ 1,244	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 7,344	\$ -	\$ -	\$ 1,244	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ -	\$ 7,344	\$ -	\$ -	\$ 1,244	\$ -

BLUE RIVER VALLEY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Co Op Special Education Carryover 07-08	Co Op Special Education Part B 06-07	Co Op Special Education Part B 07-08	Co Op Special Education Preschool 06-07	Co Op Special Education Preschool	Title IV Part A Drug Free
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	100	154,315	-	4,178	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	100	154,315	-	4,178	-
Disbursements:						
Current:						
Instruction	2,446	17,112	118,655	33	3,563	-
Support services	1,000	1,534	1,583	-	-	351
Community services	-	-	-	-	-	-
Total disbursements	3,446	18,646	120,238	33	3,563	351
Excess (deficiency) of receipts over disbursements	(3,446)	(18,546)	34,077	(33)	615	(351)
Other financing sources (uses):						
Transfers in	3,446	-	-	-	-	-
Transfers out	-	(3,447)	-	-	-	-
Total other financing sources (uses)	3,446	(3,447)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(21,993)	34,077	(33)	615	(351)
Cash and investments - beginning	-	21,993	-	33	-	1,200
Cash and investments - ending	\$ -	\$ -	\$ 34,077	\$ -	\$ 615	\$ 849
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 34,077	\$ -	\$ 615	\$ 849
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ -	\$ -	\$ 34,077	\$ -	\$ 615	\$ 849

BLUE RIVER VALLEY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title IV Part A 2005-06 Drug Free	Title IV Part A 2007-08 Drug Free	FEMA Emergency Funds	Title II Part A 05-06 Improvement	Title II Part A 06-07 Improvement
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	2,343	-	9,556	18,858
Sale of property, adjustments and refunds	-	-	-	-	-
Total receipts	-	2,343	-	9,556	18,858
Disbursements:					
Current:					
Instruction	-	672	-	6,163	28,286
Support services	500	-	-	327	-
Community services	-	-	-	-	-
Total disbursements	500	672	-	6,490	28,286
Excess (deficiency) of receipts over disbursements	(500)	1,671	-	3,066	(9,428)
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	(1,171)	(2,182)	-	-
Total other financing sources (uses)	-	(1,171)	(2,182)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(500)	500	(2,182)	3,066	(9,428)
Cash and investments - beginning	500	-	2,182	1,371	9,428
Cash and investments - ending	\$ -	\$ 500	\$ -	\$ 4,437	\$ -
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ 500	\$ -	\$ 4,437	\$ -
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	\$ -	\$ 500	\$ -	\$ 4,437	\$ -

BLUE RIVER VALLEY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title II Part D 05-07 Technical	Construction	Barn Fire Replacement	Fire Repair and Replace	Totals
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 269,641
Intermediate sources	-	-	-	-	3,538
State sources	-	-	-	-	66,830
Federal sources	-	-	-	-	383,897
Sale of property, adjustments and refunds	-	-	-	-	1,551
Total receipts	-	-	-	-	725,457
Disbursements:					
Current:					
Instruction	668	-	-	-	323,032
Support services	-	-	-	-	397,172
Community services	-	-	-	-	343
Total disbursements	668	-	-	-	720,547
Excess (deficiency) of receipts over disbursements	(668)	-	-	-	4,910
Other financing sources (uses):					
Transfers in	-	-	-	-	4,617
Transfers out	-	-	-	-	(6,800)
Total other financing sources (uses)	-	-	-	-	(2,183)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(668)	-	-	-	2,727
Cash and investments - beginning	668	32,375	4,709	6,218	308,116
Cash and investments - ending	\$ -	\$ 32,375	\$ 4,709	\$ 6,218	\$ 310,843
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ 32,375	\$ 4,709	\$ 6,218	\$ 310,843
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	\$ -	\$ 32,375	\$ 4,709	\$ 6,218	\$ 310,843

BLUE RIVER VALLEY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007

	Bella's Barn Gift	Buddy Program	Totals
Additions:			
Total additions	\$ -	\$ -	\$ -
Deductions:			
Administrative and general	381	-	381
Deficiency of total additions over total deductions	(381)	-	(381)
Cash and investment fund balance - beginning	2,276	200	2,476
Cash and Investments - June 30	<u>\$ 1,895</u>	<u>\$ 200</u>	<u>\$ 2,095</u>
Net assets:			
Cash and investments	<u>\$ 1,895</u>	<u>\$ 200</u>	<u>\$ 2,095</u>

BLUE RIVER VALLEY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Bella's Barn Gift	Buddy Program	Totals
Additions:			
Total additions	\$ -	\$ -	\$ -
Deductions:			
Administrative and general	205	125	330
Excess (deficiency) of total additions over total deductions	(205)	(125)	(330)
Cash and investment fund balance - beginning	1,895	200	2,095
Cash and Investments - June 30	<u>\$ 1,690</u>	<u>\$ 75</u>	<u>\$ 1,765</u>
Net assets:			
Cash and investments	<u>\$ 1,690</u>	<u>\$ 75</u>	<u>\$ 1,765</u>

BLUE RIVER VALLEY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2008

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 76,200
Buildings	15,807,955
Improvements other than buildings	415,405
Machinery and equipment	2,237,161
Transportation equipment	<u>990,788</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 19,527,509</u>

BLUE RIVER VALLEY SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
June 30, 2008

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
School Building Improvement	\$ 10,530,000	\$ 797,000
Notes and loans payable	<u>21,856</u>	<u>14,753</u>
Total governmental activities debt	<u>\$ 10,551,856</u>	<u>\$ 811,753</u>

BLUE RIVER VALLEY SCHOOL CORPORATION
EXAMINATION RESULT AND COMMENT

OVERDRAWN FUND BALANCES

The School Bus Replacement Fund was overdrawn at June 30, 2007 and 2008, by \$51,145 and \$56,288, respectively.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

BLUE RIVER VALLEY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 26, 2009, with Kimberly S. Riley, Treasurer; Stephen K. Welsh, Superintendent of Schools; and Shari Ray, Vice President of the School Board. The official response has been made a part of this report and may be found on page 38.



Blue River Valley Schools

P.O. Box 217

303 South Walnut Street

Mt. Summit, IN 47361

Stephen K. Welsh
Superintendent

Telephone (765) 836-4816

Fax (765) 836-4817

January 26, 2009

Indiana State Board of Accounts
302 West Washington Street
Room E418
Indianapolis, IN 46204-2769

RE: Audit Exception Comment

The negative balance in the bus replacement fund for Blue River Valley School Corporation was due to the delay by the county in mailing out tax statements. We received our spring property tax payments in October 2007 and 2008.

Sincerely,

Stephen K. Welsh
Superintendent

Board of School Trustees

Tamara Gard
Kent Grim
Wayne Jacobs

Shari Ray
Terry Vaughn

Corporation Attorney

Gregory Crider

Central Office Staff:

Beth King, Director of Special Programs
Kim Riley, Treasurer
Georgette Miles, Secretary